

	YOY Chg	12-Month Forecast
19.3% Vacancy Rate	▲	▲
6.9M Stock, sqm	▲	▲
¥125.1 Rent (PSM/MO) <i>(Property of GRADE A)</i>	▼	▼

2024	YOY Chg	12-Month Forecast
2.1% GDP Growth	▼	▲
2.6% Tertiary Sector Growth	▼	▲
0.1% CPI Growth	▼	▲
-7.4% Real Estate Development & Investment Growth	▲	▬

Better never settles

New supply of 255,055 sq m entered the Guangzhou Grade A office market in Q1 2025, all at the International Financial City submarket, expanding citywide total stock to 6.9 million sq m. Accelerated construction of transport hubs and commercial infrastructure, combined with key office buildings gradually entering the market, has seen continued improvement of the business environment in International Financial City. Faster expansion of such emerging business districts is now driving a multi-core layout for Guangzhou's office market.

Amid ongoing demand-side adjustments and a surge in new supply, the citywide overall vacancy rate rose 0.5 percentage points q-o-q to 19.3% in Q1. However, Pazhou submarket bucked the trend, with vacancy dropping 1.2 percentage points q-o-q to 24.9%, due to digital economy industry clustering and a temporary supply contraction. The citywide overall average rental level fell 4.8% q-o-q to RMB125.1 per sq m per month. Against the backdrop of sustained rent declines, some firms are seizing opportunities to expand.

The TMT, trade & retail, and finance sectors were the top drivers of office demand in Q1, together taking 56% of total leased area. The TMT sector maintained its demand stabilization trend, taking a 24% share of leased area. Key sub-sectors such as software & IT services, telecommunications, and new media, generated multiple large-scale transactions. Supported by consumption-boosting policies, office demand from trade & retail companies grew 11% y-o-y, reaching 16% of total leased area. Although the finance sector recorded a high number of transactions, deals were small in scale, accounting for just 16% of total leased area.

The Guangzhou office market will see 2.5 million sq m of new supply in the coming three years. Landlords will need to optimize rental strategies, tenant acquisition approaches, and operational management to better face challenges. Meanwhile, occupiers are likely to seize further opportunities for cost optimization and industry consolidation during the supply surge cycle.

A bar chart comparing Net Absorption and Construction Completions in SQM (Thousands) from 2020 to 2025 YTD. The Y-axis ranges from -100 to 500. The X-axis shows the years. Net Absorption is represented by teal bars, and Construction Completions by dark blue bars.

Year	Net Absorption, SQM (Thousands)	Construction Completions, SQM (Thousands)
2020	80	230
2021	430	430
2022	0	420
2023	90	460
2024	130	170
2025 YTD	170	260

Year	Rent, PSM/MO (¥)	Vacancy Rate (%)
2020	190	4
2021	185	10
2022	180	6
2023	175	15
2024	140	18
2025	125	20

MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	VACANT (SQ M)	VACANCY RATE	FUTURE SUPPLY TILL 2027 (SQ M)	GRADE A FACE RENT		
					RMB/SQ M/MO	US\$/SF/MO	EUR/SF/MO
Tianhe Sports Center	963,132	134,855	14.0%	0	¥129.7	US\$1.66	€ 1.53
Zhujiang New Town	3,289,426	566,011	17.2%	69,200	¥141.0	US\$1.81	€ 1.67
Yuexiu	450,426	98,147	21.8%	0	¥106.1	US\$1.36	€ 1.25
Pazhou	1,964,618	490,080	24.9%	1,000,527	¥105.2	US\$1.35	€ 1.24
International Financial City (Start-up Area)	255,055	49,283	19.3%	1,439,077	¥88.7	US\$1.14	€ 1.05
GUANGZHOU GRADE A TOTAL	6,922,657	1,338,376	19.3%	2,508,804	¥125.1	US\$1.60	€ 1.48

Face Rent is calculated based on gross floor area and assuming a letting of mid floors for a typical three-year lease term with VAT.

Exchange Rate: 1 USD = 7.248109 RMB= 0.92195437 Euros (2025.3.14)

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
International Finance Center	Zhujiang New Town	Hainan Hujiao	3,300	New Set Up
Baoland Plaza	Pazhou	Autosemo	2,900	Relocation
Tai Koo Hui	Tianhe Sports Center	Rednote	2,800	Relocation
CTF Finance Centre	Zhujiang New Town	Fangxiao Law Firm	1,800	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SQ M	COMPLETION DATE
Rootcloud	Pazhou	Sany	129,650	2025
JCG	International Financial City	Grantral Group	130,000	2025
New China Life Building	International Financial City	GZ Yuerong Project Construction Management	80,613	2026

XIAODUAN ZHANG

Head of Research, South & Central China
Suite 2704, Taikoo Hui Tower 1, 385 Tianhe Road,
Tianhe District, Guangzhou 510613, China
Tel: +86 755 2151 8116
xiaoudan.zhang@cushwake.com

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